

Stabilising Distressed Funds:

Managing Administrator Resignations,
CDD Challenges & Governance Risk



Meet the Panelists



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Moderator



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Stabilising Distressed Funds

Managing Administrator Resignations,
CDD Challenges & Governance Risk
NED Forum – Insight Summary |
February 2026

Why This Matters to NEDs

- Distress rarely announces itself clearly or early
- Administrator resignations are increasing across the funds industry
- CDD gaps, sanctions exposure and SARs create sudden governance risk
- Boards often face pressure at the most inopportune time

What Distress Looks Like in Practice

- Delayed or paralysed decision-making
- Frozen shareholders or voting deadlock
- Assets restricted by SARs or sanctions
- Rising legal and reputational risk
- Current service provider service notice

Administrator Perspective

- Often the first to identify emerging issues
- Risk appetite reassessed where exposure cannot be managed
- Operational limitations once assets are frozen
- Decision to remediate versus resign is highly fact-specific

Governance & Regulatory Expectations

- Focus on conduct and decision-making, not perfect outcomes
- Early escalation and alignment across advisers
- Clear documentation of rationale and actions
- Administrators as critical governance partners
- Transparency across all stake holders is critical

Key Insight for NEDs

- Distressed situations fail when alignment breaks down
- Early, informed conversations materially change outcomes
- Judgement, not technical precision, is the differentiator
- Preparation protects both the structure and the individual

Key Actions

- Maintain open and transparent communication with the GFSC
- Early, informed conversations materially change outcomes
- Judgement, not technical precision, is the differentiator
- Preparation protects both the structure and the individual

SLIDO RESULTS

Poll 1



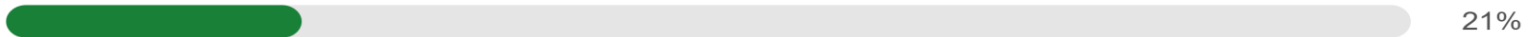
Have you ever been involved in a structure where assets or shareholders were frozen due to a SAR, sanctions, or litigation?

Multiple Choice Poll 38 votes 38 participants

• Yes – directly - 20 votes



• Yes – indirectly - 8 votes



• No - 10 votes



• Not sure - 0 votes



SLIDO RESULTS

Poll 2



How confident would you feel today handling a distressed structure as a director or senior manager?"

Multiple Choice Poll 38 votes 38 participants

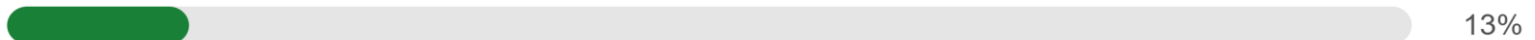
Very confident - 1 vote



Somewhat confident - 25 votes



Not confident - 5 votes



I'd want external support immediately - 7 votes



SLIDO RESULTS

Poll 3



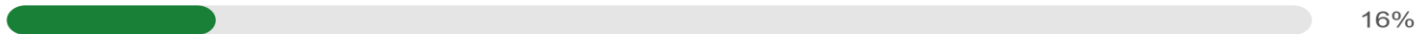
In distressed situations, what concerns you most

Multiple Choice Poll 38 votes 38 participants

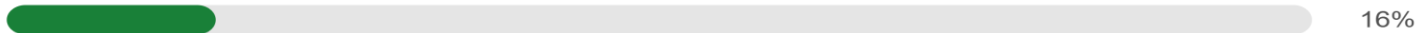
Personal liability - 15 votes



Regulatory scrutiny - 6 votes



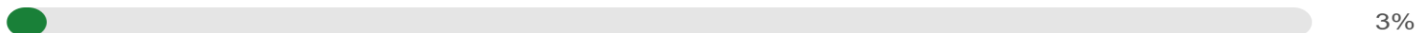
Reputational damage - 6 votes



Operational Paralysis - 6 votes



Client Pressure - 1 vote



Lack of clear guidance - 4 votes



HOW PARAMOUNT CAN HELP

Experience, transparency and collaboration are what allow progress in these situations.

The team behind Paramount have supported stakeholders through sanctions, SARs, shareholder disputes and operational standstills, working closely with boards, advisers and regulators to keep structures functioning and decision-making intact.

Should you find yourself on a Board of a structure where your current service provider has changed its risk appetite and are considering an exit strategy, please do contact Gillian Newton – 01481 736098, Gill.newton@pfsi.gg (www.pfsi.gg) to discuss options.